

Headquarters U.S. Air Force

Integrity - Service - Excellence



Contracting 101

48th Medical Logistics

Symposium Rookie Day

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Nashville, TN

1 Aug 2004



- **The Ugly Truth**
- **The Mother Regulation: The FAR**
- **Medical Logistics and Contracts**
- **Role of the MLFC**
- **“Full and Open” Competition**
- **Getting What You Want**
- **Other Than “Full and Open” Competition**
- **Pitfalls**
- **AFMLO Contracts Contacts**



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The Ugly Truth

- **Contracts are not fun**
- **Contracts are complicated**
- **Contracting rules defy common sense**
- **Not following the rules can get you in trouble**
- **Few medical logisticians are trained in contracting**
- **Your MTF cannot function without contracts**
- **No one thinks contracts are “their job”**
- **Those same people don’t understand the rules**
- **YOU are your MTF’s contracting resource**



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The Mother Regulation: Federal Acquisition Regulation (FAR)

- **My “convenience-sized” copy of the FAR is 1860 pg.**
- **Purpose: Uniform policies and procedures for acquisition for all executive agencies**
 - Covers DoD, DOE, DOT, H&HS, NASA, etc.
 - Does not promote “ease” - promotes “compliance”
- **Encourages best value, not cheapest**
- **Encourages fair competition, not big business**
 - Socioeconomics plays a big role
- **Encourages litigation kept to a minimum**
- **Encourages each department to make more rules**
 - DFARS, AFARS, AFI's, and more!



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Medical Logistics And Contracts

- **We do not “administer” contracts**
 - **“Administrative contracting officers” do**
 - **Involves executing modifications**
- **We do not provide “oversight” for contractors**
 - **Quality assurance personnel provide oversight for contractor performance**
- **We “manage” contracts for the MTF**
 - **Keep records**
 - **Ensure documents are in order before submittal**
 - **Act as liaison for MTF, Contracting**



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Role of the MLFC

- **AFI 41-209**
 - **Medical Logistics Flight Commander (MLFC) normally acts as Functional Commander for Contract Services**
 - Ensures Customer Needs Ultimately Met
 - Ensures Contracting Receives a “Procurable Package”
 - Ensures Package Goes to Contracting in Time for Procurement
 - **MLFC (Functional CC) Appoints Quality Assurance Personnel**
 - Authority delegated to MLFC by installation commander
 - **MLFC must be trained in quality assurance management techniques**
 - Base Contracting Office (BCO) provides training



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MLFC Ensures Customer Requirements Are Met

■ **Stay Involved**

- ERAA
- Space Utilization Meetings
- Talk to your RMO
- Talk to your BCO
- Keep your ear to the tracks

■ **Train Customers to Help Themselves**

- Include contract preparation in custodian training
- Give customers some tools
 - Canned packages - Streamline their work
 - Give them references - Knowing the rules is half the battle
 - Advertise significant dates throughout the year



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MLFC Ensures Contracting Gets a “Procurable Package”

- **Whether for supplies or services, a procurable package consists of:**
 - **Funding**
 - Usually conveyed with AF Form 9
 - **Technical description of what you want**
 - Supplies: Usually a vendor quote
 - Services: Usually a Performance Work Statement (PWS)
 - **Service contracts require more**
 - IGCE, QASP, etc...
 - Also, see AFI 63-124, Performance Based Service Contracts



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MLFC Ensures Timely Package Submittal

- **“A failure to plan on your part, does not constitute an emergency on my part”**
 - **The FAR does not forgive lack of planning**
 - **Contracting folks are not mean - They’re stuck with the FAR (just like you’re stuck with AFI 41-209)**
- **Factors that can impact timely purchase:**
 - **Incomplete information:** Could multiple vendors provide the same item based on what you submitted?
 - **Dollar Amount:** The more expensive the purchase, the longer it stays out for bids
 - **The Calendar:** The closer you get to September 30th, the longer it will take to execute your purchase



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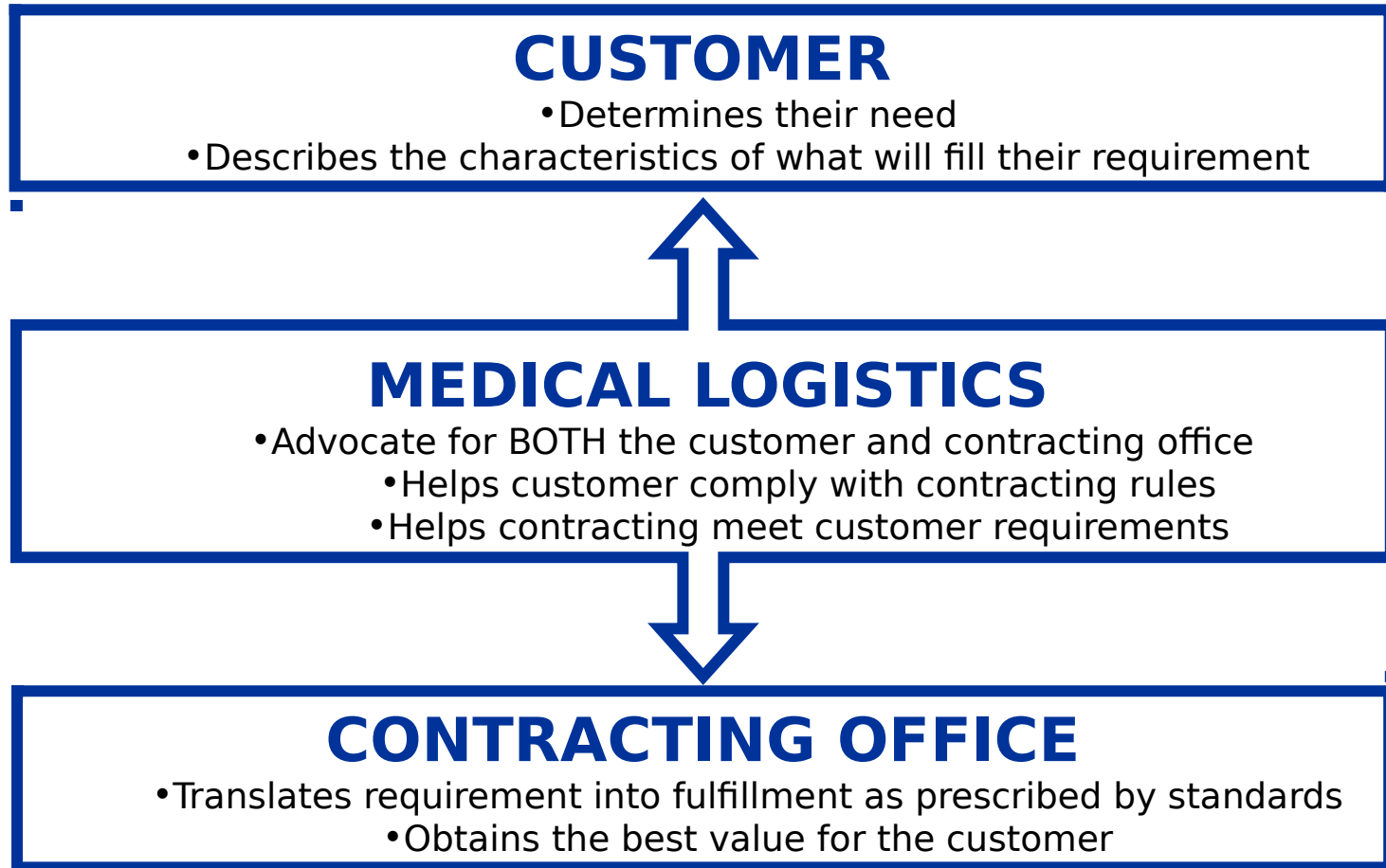
“Full and Open” Competition

- **Federal Acquisition System is designed to deliver with acceptable quality, cost, timeliness**
 - Maximize the use of commercial items/services
 - Use reputable contractors
 - Promote competition
- **“Promote Competition” means:**
 - Purchases will be made through bids, proposals (or both) received in response to solicitations
 - Source of contracting’s reputation as a “gamble”



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Getting What You Want





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Getting What You Want

- As in any relationship, Communication is key
 - **Mandatory Communication**
 - Technical Description
 - Vendor Quote (NOT a “bid”)
 - **Optional Communication**
 - Market Survey
 - Price Analysis
 - **Recommended Communication**
 - Required Delivery Date
 - Don’t pick an arbitrary date
 - Based on customer requirement



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Other Than “Full and Open” Competition (FAR Part 6)

- **Exceptions to Full and Open Competition**
 - **“Sole Source” And “Brand Name Only”**
 - **Standardized:** Core Formulary Drugs; only “GE” parts fit a “GE” X-Ray
 - **Highly technical:** Repair work by factory-authorized technician
 - **Unique capabilities:** Only JCAHO provides JCAHO accreditation
 - **Unusual and Compelling Urgency**
 - **Avoids serious injury to the government:** Financial, Physical, etc.
 - **National Emergency**
 - **Must be an “Emergency”:** Last used after Sept 11, 2001 attacks
 - **National Security**
 - **Being classified is not good enough:** Jeopardize national security
 - **Authorized or Required by Statute**
 - **Laws that allow or require a source:** UNICOR, HUBZone, DAPS



Other Than “Full and Open” Competition (Cont.)

- **Acceptance of justification is subjective**
 - **Based on interpretation of your writing (be thorough)**
 - **Based on training level of contracting officer**
 - **Workload could be a factor**
- **How do you know if your justification is acceptable?**
 - **Does it smell like agriculture?**
 - **Could you defend it on the stand...under oath?**
 - **Does it contain facts required in FAR 6.303?**
 - **Required facts summarized in AFI 41-209, 4.18**
 - **Very similar to a 13-point justification, but more detailed**
- **Format for writing a justification may vary by Contracting Office, ask them for a sample format**



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MLFC (FC) Appoints Quality Assurance Personnel

- **MLFC Appoints Quality Assurance (QA) personnel for all contracts for recurring services**
 - **Initiates the appointment process for replacements**
- **MLFC coordinates with local Quality Assurance Program Coordinator (QAPC)**
 - **Ensures QA personnel have training**
 - Phase I: General QA techniques and procedures
 - Phase II: Contract-specific (provided by contract administrator for each contract monitored)
 - **Ensures a 6-Part folder is maintained for each contract**
 - Contents of folder outlined in AFI 41-209, 4.38.10.1
 - Inspectable documents during Operational Readiness Inspection (ORI)



MLFC Must Be Trained

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- **AFI 63-124 requires functional directors to receive quality assurance training prior to commencement of duties**
 - **Base Contracting Office provides training**
 - **This should be part of MLFC in-processing**
- **If MLFC assigns a contract administrator, that person should be trained as well**
 - **Also: Prime Vendor COR, WRM-IGM (some sites)**
- **Learn ABSS and become comfortable using it**



- **Don't be bullied**

- You are the contracting authority in the MTF
- Learn the rules and help your customers to understand

- **Don't procrastinate**

- Time is contracting's worst enemy – Submit early!

- **Don't let any contracts leave the MTF without going through Medical Logistics**

- When something goes wrong, all eyes are on the MLFC

- **Don't let unauthorized commitments occur**

- Educate your customers to not obligate the gov't
- Never make a promise to a vendor



References

- **Federal Acquisition Regulation (FAR)**
 - **<http://business.cch.com/govContracts/default.asp> (\$58)**
 - **<http://www.arnet.gov/far/>**
- **AFI 63-124, Performance-Based Service Contracts**
- **AFI 41-209 Chapter 4**
- **Contracting Handbook (Coming Soon)**
- **VASS Handbook (<https://afml.ft-detrick.af.mil/afmlo/Product/Cfm/dtl.cfm?type=VATraining>)**



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